

For: State and County Offices

**Assigning Direct Payment Yields to Crops for Direct and
Counter-Cyclical Program (DCP) Payment Purposes**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

The yields used to determine **direct** payments for a farm under DCP for wheat, feed grains, cotton, and rice will be the same as the 2002 Production Flexibility Contract (PFC) payment yields for these crops on the farm. For farms and crops not enrolled in PFC, the 1995 Acreage Reduction Program payment yield established for the crop, if available, shall be used for direct payments under DCP.

For DCP payment purposes, owners may elect to use the average planted and prevented planted acreage from 1998 through 2001 to update bases for covered commodities. A farm may have 1998 through 2001 acreage history for wheat, feed grains, cotton, and rice, but these crops may not have had any 2002 PFC acreage on the farm.

Most owners will need to know direct and counter-cyclical yields for all crops with base acres, to make appropriate base and yield elections under DCP.

B

Purpose

This notice:

- informs State and County Offices of when COC's must assign yields for certain farms and when determinations become appealable
- provides guidelines in assigning potential direct payment yields for commodities.

Disposal Date	Distribution
April 1, 2003	State Offices; State Offices relay to County Offices

Notice DCP-24

2 Timeframe and Applicable Crops

A

Immediate COC Action Required

To assist owners in selecting their option, COC's shall immediately assign **direct** payment yields for potential DCP covered commodities, except oilseeds, according to paragraph 3, on farms with **all** of the following:

- a covered commodity was planted, or prevented from being planted, in 1 or more years from 1998 through 2001
- 2002 PFC acres do **not** exist for the farm
- a 1995 Acreage Reduction Program payment yield is **not** available for any covered commodity on the farm.

Note: Owners with farms meeting the above criteria can establish crop bases for DCP if they select option 4 (1998 through 2001 acreage history) for the farm. Accordingly, COC shall assign yields according to paragraph 3 as soon as possible.

B

COC May Assign Certain Yields

COC's **may** assign **direct** payment yields for potential DCP commodities at this time, except oilseeds, according to paragraph 3, on farms with **all** of the following:

- a covered commodity was planted, or prevented from being planted, in 1 or more years from 1998 through 2001
- 2002 PFC acres exist, but do not include contract acreage and yields for all covered commodities with acreage history on the farm from any of the years 1998 through 2001
- a 1995 Acreage Reduction Program payment yield is **not** available for all of the covered commodities with acreage history on the farm.

Note: Owners with farms meeting the above criteria may establish crop bases for DCP using option 4 (1998 through 2001 acreage history) **or** options 1, 2, 3, or 5 (PFC acreage plus any eligible oilseed acreage, with or without PFC offset). Most of these owners will need to know what the assigned yield would be on crops with missing yields when determining which option is most desirable for their farm. Accordingly, COC's should establish payment yields at this time on these farms so owners may make informed decisions, providing there is a reasonable chance that option 4 may be selected.

3 COC-Assigned Direct Payment Yields

A

Assigning Potential Direct Payment Yields

COC-assigned yields for crops shall be:

- based on the PFC yield on at least 3 similar farms that are physically located in the county

Note: If fewer than 3 similar farms are physically located in the county, STC shall assign a direct payment yield based on the PFC yield on similar farms in the surrounding area.

- assigned with consideration given to the following:
 - other PFC payment yields on the farm
 - PFC payment yields for the producer on other farms
 - soil types
 - cultural practices
 - other factors that may be applicable
 - thoroughly documented in the COC minutes as determinations are made, to ensure that sufficient information exists to support COC determinations in appeal cases
 - considered **potential** direct payment yields, until such time as the owner makes base and yield elections for DCP purposes.
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B

Appeal Rights

County Offices and COC's shall thoroughly document in the COC minutes potential assigned direct payment yields after COC establishes them. Although these yields are considered **potential** direct payment yields, the potential yields should be readily available to assist owners in making decisions regarding base and yield elections.

When owners of a farm make the base and yield elections, County Offices will provide each owner and producer an official notification of base acres and yields on the farm. These COC yield determinations are appealable.

Note: Future directives will include the method and timing for notifying owners and producers of their appeal rights associated with DCP.

Continued on the next page

3 COC-Assigned Direct Payment Yields (Continued)

C

Yields COC May Not Assign

COC shall **not** assign:

- direct payment yields for wheat, feed grains, cotton, or rice, if a yield is available for the crop on the farm (PFC or 1995 Acreage Reduction Program payment yield)
- direct payment yields based on updated, counter-cyclical payment yields

Note: Statute provides for yield assignments **before** yields are partially updated.

- direct payment yields for oilseeds, as the statute provides that direct oilseed yields are based on the farm's average yield per planted acre (including use of minimum yields), adjusted by an historic ratio to reflect a yield representative of 1981 through 1985.
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4 Missing Yield Report

A

Overview

The Missing Yield Report was designed to assist County Offices in finding crops reported through the FSA-578 software or through View/Update Acreage Screen MIBUTH98 that do **not** have a PFC payment yield.

Note: The Missing Yield Report excludes oilseed crops; therefore, no oilseed crops will be printed.

Continued on the next page

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4 Missing Yield Report (Continued)

B

Printing Missing Yield Report

The Missing Yield Report will print after option 9, "Print Missing Yield Report", is selected on Acreage History Screen MIB70001.

```
Farm Records          043-A FARIBAULT          MIB70001
Acreage History Screen Version: AE47 06/26/2002 17:18 Term H2
-----
1. View/Update Acreage for a Tract
2. Print Detailed Acreage History Report
3. Print Summary Acreage History Report
* 4. Print Notification Letters
5. Print Potential Missing Data Report
6. Print Missing Tract Year Report
7. Print Tract History Report
* 8. Print Base Options Report
9. Print Missing Yield Report

*=option currently not available.

Enter option and press "Enter".
Cmd3=Previous Menu
```

C

Example of Missing Yield Report

The following is an example of the Missing Yield Report.

```
MINNESOTA          USDA-FSA          Prepared: 06-26-2002
A FARIBAULT
Report ID: MIBMYD-R001      Missing Yield Report      Page: 1
-----
This report will list all crops, by farm and tract, that are missing a yield.

      Farm      Tract      Crop
      ----      -
          2      9273      BARLEY
          74      1234      CORN
          229      2824      OATS
                       CORN
          303      3183      WHEAT
          339      2832      WHEAT
                       OATS
                       CORN
          1338      1761      WHEAT
                       2577      OATS
```